GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:817
ANSWERED ON:19.07.2002
WORKINGS OF CHARTERED ACCOUNTANTS FIRMS
NIVEDITA MANE

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn towards the news that telecom company `World com` and energy company `Enron` are proving to be the biggest example of insolvency in the history of America and the Chartered Accountants `Arthur and Anderson` clearing their accounts are also facing allegations;

(b) if so, whether the Government have conducted any survey about the workings of the Chartered Accountancy firms and Chartered Accountants in this regard;

(c) if so, the details thereof; and

(d) the details of laws formulated by the government in this regard?

Answer

MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

(d) Misconduct by Chartered Accountants/Chartered Accountant firms is punishable under section 21 of the Chartered Accountants Act, 1949. Non compliance of the relevant provisions of Companies Act by them is punishable under section 233 of the Companies Act, 1956.